

RULES OF  
DEPARTMENT OF REVENUE

CHAPTER 810-3-73

Withholding Certificates

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810-3-73-.01 Withholding Exemption Certificates

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(1) Every employee is required to furnish his or her employer a withholding exemption certificate (Form A-4) showing the number of exemptions claimed. The number of exemptions claimed may not exceed the number of exemptions to which the employee is entitled to claim under § 40-18-19, Code of Alabama 1975.

(2) The values of Alabama and federal exemptions differ, therefore, federal Form W-4 is not a satisfactory substitute for the required Alabama Form A-4.

(3) If an employee fails to furnish his or her employer with a signed withholding exemption certificate on Form A-4, the employer must withhold on such employee's wages using zero (-0-) exemptions.

(4) Full-time students in temporary employment expecting to earn less than \$1,875 during the taxable year and expecting to owe no Alabama income tax for the taxable year may be exempt from Alabama withholding tax. In order to establish this exemption, they must file withholding exemption certificate Form A-4E with their employer. A full-time student means an individual who during each of five calendar months during the taxable year is enrolled at an educational institution for the number of hours or courses which is considered to be full-time attendance.

(5) Employers must furnish the Department with a copy of each Form A-4 in which:

(a) An employee claims 12 or more dependents, or

(b) The total exemptions claimed are known by the employer to exceed the number to which the employee is entitled.

(6) Penalties.

(a) Any person who fails to comply with the requirements of this section shall be subject to the penalties provided in §40-2A-11, Code of Alabama 1975.

(b) In addition to the penalties provided for in §40-2A-11, the \$500 civil penalty provided for in §40-29-75, Code of Alabama 1975, shall also apply.

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Authority: §§40-2A-7(a)(5) and 40-18-73, Code of Alabama 1975

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